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IF SILVER WINS.

BY LOUIS WINDMÜLLER, AND THE HON. WALTER CLARK, ASSO-
CIATE JUSTICE OF THE SUPREME COURT OF NORTH CAROLINA.

I. THE SHRINKAGE OF WAGES.

A GENIAL "popocratic" poet divided mankind into three classes : "Some have much—they are apt to get a great deal more ; others have little, which will be taken from them ; the rest, having nothing, should retire from the world because they have no claim on life."

It is plain to the impartial observer that the middle and lower classes are suffering, and can enjoy no longer many of the comforts of life. To talk to them of prosperity is worse than useless, because it does not exist for them. A portion of their number have been led by interested parties to believe that their condition would improve if silver were adopted as the standard measure of values. Calling such men repudiators may irritate, but will not convince them that they are mistaken. That measure can benefit some of the rich, but would injure the poorer classes.

The very meaning of the word "money" is misunderstood, especially by those who have none and want a great deal ; they appreciate its power, but have not discovered how it originated. Coins containing a certain quantity of precious metal are used to measure the value of other commodities ; the stamp they bear is a certificate, issued by the authorities, that they have tested that value and found it correct. Whenever, in years gone by, a government has stamped coins for more than they were worth, the workmen were obliged to take them for their face value, and came to grief because they could not purchase as much food with them as with honest coin. The present craze is partially explained by ignorant greed ; white and colored delegates

are reported to have said in St. Louis that they expected from Mr. Bryan a free distribution of the silver in the Treasury!

In 1792, when we began to mint money, the value of our silver dollar was equal to a gold dollar, and $15\frac{1}{2}$ grains of silver were worth as much as one grain of gold; this proportion continued to exist with slight variations until 1865. The production of both precious metals has increased since then, but the increase in the production of silver has been greatest. Of the quantity of both precious metals which the world has annually brought forth the proportion was:

85 per cent.	of silver	against	15 per cent.	of gold	from	1861	to	1865,	against
95	"	"	"	"	"	5	"	"	"
									1890 " 1895.

With the increase of production came a decline of value and fluctuations which made silver less desirable for measuring the values of other commodities. Here is an illustration. The yellow metal contained in a gold eagle, when melted, will buy as much merchandise as the ten-dollar piece itself, and will be accepted as a valid payment for that amount in any part of the world.

The white metal obtained when ten of our standard silver dollars are melted will only pass for \$5.30 to-day, and may not be worth over \$4.50 to-morrow, which was all such a lump brought only recently.

Standard silver dollars were made legal tenders in 1878, and will practically remain interchangeable with gold, as all the various kinds of our paper money are, for their face value, as long as the government continues gold payments, and is enabled to do so by an adequate gold reserve. The platform recently adopted by Democratic and Populistic delegates requires the passage of a law which compels the coinage of all silver presented at the mint into legal-tender dollars at the rate of 16 grains of silver to one of gold, although it really takes 30 grains now to buy one grain of gold. The consequence will be that the actual value of the standard silver dollar must gradually decline to 53 cents, because the mints will be required to coin so many of them that their parity with gold can no longer be maintained. The advocates of this measure pretend to believe that the United States can thereby raise the value of 53 cents' worth of silver to the value of a dollar by a stamp of the mint; they could as well pass a law to make our wives accept six eggs for a dozen, or eighteen inches of calico for a yard. A thousand years ago Canute, King of England,

became annoyed at his courtiers who wanted to flatter by telling him he was almighty ; he took them to the beach when the tide was rising, and commanded the waves to respect his body while resting there, but the ocean rose and compelled him to retire as if he had been an ordinary mortal. Seventy millions of sovereigns are as powerless against the laws of nature as Canute was alone. When the government is obliged to redeem its promises in depreciated silver and to suspend gold payments, the banks will have to follow ; gold will be worth a premium and commodities will rise in proportion—especially products that can be exported and for which we can draw gold from Europe ; and goods that we import, for which we must send gold to Europe.

Labor will remain nominally unchanged, but must actually depreciate because the same wages will not buy as much food and clothing. When the United States issued irredeemable paper money for the expenses of our Civil War in 1861, gold rose to a premium and prices of merchandise followed, until in 1864 the average premium on gold was over 100 per cent., and prices of merchandise had more than doubled ; but it took years before wages began to rise. A friend of mine, a clerk in a mercantile house, who earned \$1,000 in the year 1859, received \$1,400 in 1865 ; what he was able to purchase in 1859 for \$1,000 would have cost him \$2,200 in 1865. He was obliged to economize accordingly.

I concede that many hired men have cause for complaining ; but cheaper money could not better their condition, because it would diminish instead of increasing their remuneration.

The capital of the laborer and professional man is the wages he earns by the sweat of his brow, or the exertion of his brain ; he gets for his work no more than he is entitled to. Why should he join a strike to lower his compensation by reducing the value of the dollar in which he will be paid ?

When Thomas Jefferson established, in 1792, the ratio of 15½ grains of silver to one grain of gold, he accepted the relative values of the two metals as acknowledged by nations with whom we had commercial intercourse. Although these same nations will only accept thirty grains of silver for every grain of gold we owe, silverites insist they would have to take them at the rate which was valid a century ago if we passed a law to re-establish that value. In 1792, the gold value of a bushel of wheat was one dol-

lar, of corn fifty cents ; if we were as powerful as friends of silver claim, and could compel England to pay these prices of 1792 in gold to-day, our farmers would cease to grumble.

Twenty-five million people, about a third of our population, live by agriculture ; a small portion have large tracts of land and ample means for their cultivation ; they employ skilled labor, use expensive fertilizers and the most improved machinery, all of which enables them to make some money at present low prices. But a majority of farmers eke out a bare living by raising the same crops on small plots of ground, losing money one season after another, until all is gone. Some are remote from the market, so that the prices they get hardly pay for the labor of hauling, and little, if anything, is left for the tiller of the soil himself. But is he not to blame for the hard lot he continues to endure ? When a merchant or manufacturer finds an article does not pay, he turns his attention to something else. I know manufacturers of sewing machines and furniture springs who prospered because they made bicycles when these began to be called for. Why should farmers not follow this example ? There is an over-production of wheat, but a good demand for sugar-beets at remunerative prices ; these can be raised in almost every part of the country. If a few neighbors were to combine, they could find means for a suitable apparatus to put up vegetables in cans, which is a paying business. Poultry is in demand, and can be preserved when distance to the market makes it desirable ; money is made on the Pacific Coast by raising and drying fruit, which is sent to consumers throughout the world. A thorough study of agriculture would benefit the farmer ; no bread-winner can expect to succeed in this progressive age without a complete knowledge of the requirements of his vocation.

A nominal increase in prices of the products which the poor farmer raises would not bring the prosperity he looks for if payment were made in debased currency.

He would have to pay twice as much for everything he has to purchase.

The carriers who bring his wheat to the East would increase prices for transportation, as their debts are payable in gold, and their material would be more expensive.

His taxes would be higher because it would cost more to build schoolhouses and roads.

He can gain nothing by a depreciation in the cost of labor, because his work is done by himself and his family.

The person who owes \$2,500 on a farm valued at \$5,000 wants the privilege of paying his debt in silver dollars when they become depreciated by free coinage; he claims this as a right because twenty-five hundred bushels of wheat were worth \$2,500 in either gold or silver when he incurred the debt.* But wheat is not now, and never has been, a measure to judge values by; it fluctuates, and is too bulky. Silver has become unsuitable for similar reasons. A thousand dollars in gold weighs $3\frac{6}{10}$ pounds, a thousand dollars' worth of silver at 30 to 1 weighs $110\frac{1}{4}$ pounds, a thousand dollars' worth of wheat at 60 cents a bushel weighs one hundred thousand pounds. The claim, so often made, that gold has appreciated while silver has remained stationary, cannot be sustained by a comparison with the articles which have declined, because their production has also increased.

If the debtor means to be just, he will consider that the creditor's money was equal to \$2,500, gold, when he trusted him. To force depreciated money upon him in discharge of the loan would be wrong, and, in most cases, impracticable. Where could the debtor get the silver before the debt becomes due? More than one-half of all mortgages are overdue already and will be renewed only on condition that payment in gold is promised. The debt of \$2,500 would then grow into one for \$5,000, without a corresponding increase in the value of the farm.

While the interest on money is from one-half to three per cent. in England, it is four to ten per cent. in this country, simply because lenders are sure they will be repaid in the same kind of money in England; the rate of interest varies according to the risk incurred by the lender, the greatest of which is a shrinkage in the value of his principal.

The classes who have their savings in banks or life insurance companies would lose one-half of their investments, because these institutions could pay no longer in gold. The accumulations of millions of thrifty laborers, of their widows and orphans, would be cut in two. Pensions and salaries would decrease in the same proportion.

* I quote from a Western paper: "Owners of mortgaged farms seem to think it is against their principle to pay the interest, and against their interest to pay the principal."

There are three classes who would gain :

(1.) Owners and miners of silver who can get it converted into fifty-cent dollars and pass these for almost their face value before they depreciate.*

(2.) Brokers would make money for themselves and their speculative customers, as they did during the war, by fluctuations in the premiums on gold, foreign exchanges, and certain commodities.

(3.) Exporters of manufactures could pay their help in depreciated money, and sell the goods in foreign countries for gold. Wages paid in Japan, the most powerful of the few nations who yet cling to silver, average forty cents a day for skilled labor, enabling Japanese manufacturers to compete with the English in their own colonies.

When our public debt was created principal and interest were made payable in coin ; gold coin was worth as much at that time as silver coin. For this reason, and because gold was required in payment for most of them, the holders of our bonds are justified when they expect to be paid in the same value ; an attempt to pay them in depreciated silver would be an act of open repudiation in the eyes of God and the world.

Almost the entire civilized world has adopted gold since 1871, because its own value fluctuates less than that of any other commodity. It has superseded silver as standard of values for reasons similar to those which made us abandon stages for steam and electricity, as motors, or pickaxes and shovels for modern implements, as cultivators. Our financial strength is not inferior to that of other nations ; to remain behind them in not adopting the best metal for our circulating medium would indicate a lack of appreciation of our own interest. The stagnation which has prevailed here for years is due more to uncertainty than to other causes ; when we legalize payment of principal and interest of our bonds in gold, confidence in our integrity will return ; capital will be reinvested ; industries will revive ; and every skilful laborer will be employed.

* The Bland act of 1878, and the Sherman law of 1890, which compelled the government to buy silver, caused the white metal first to rise; then the production was stimulated so that it declined to a lower price than it had been at. Both measures have done more harm to the nation than good to miners. The present attempt, if successful, would have similar effects. The poor people, who constitute a majority of the Democratic party, ought to have the sense to see that their votes might reduce their scanty earnings, without conferring a lasting benefit even on miners, who want to persuade them to this folly for their own temporary advantage.

Hoarding of money and financial disturbances already foreshadow what we would have to expect from their madness if the advocates of free silver should succeed—ruin and general bankruptcy. Then it would become terribly clear to the masses that they were inveigled against classes by false representations ; then the wealth of all their mines could not save the silver barons from popular indignation.

Some are reckless enough to say that it can do them no harm in their present condition to try free coinage a while ; let them remember the words of a certain patriot uttered against a measure detrimental to public welfare, which was proposed in the British Parliament : “ Mr. Speaker, there is a lion in the lobby ; shall we open the doors to him ? ”

LOUIS WINDMÜLLER.

II. INEVITABLE CONSTITUTIONAL CHANGES.

THE Stamp Act was the occasion of the Revolutionary struggle, but the full breadth of the question to be settled was whether the Colonies should be governed by themselves or by England. So, in the struggle which is engaging the attention of the country this year, the gold standard and the financial question generally is the exciting occasion ; but the real issue is far more comprehensive, and is in truth whether the governing power shall abide with consolidated capital in its various shapes, or whether it shall be transferred to the people at large. As the issue is sometimes tersely expressed, it is a contest between the masses and the classes. If the former win, the victors, as in all such contests, will demand guarantees ; and, according to the utterances of the leaders, those guarantees will be imbedded in the Constitution as amendments. After the Civil War its results were thus safeguarded by being incorporated as amendments in the organic law.

An American minister to Russia, while walking one day in the palace grounds with the Czar, observed a sentinel in the centre of a grass plot. To his practical mind there was no need of a sentinel at that place, and with American freedom he asked the cause. It had never before occurred to the Czar to consider the cause, but it struck him on reflection as singular, and he inquired of the Chief of Staff. He in turn could not answer and consulted his subordinates ; they knew nothing except that there had always been a sentinel posted at that place. The archives

were consulted, but threw no light on the matter. Finally, a very old lackey was found who remembered that his father, also a palace *attaché*, had told him long years before that an old soldier had told him that in the soldier's youth the Empress Catherine had one day found a flower at that spot and had caused a soldier to be posted there to guard it from being plucked ; no orders had subsequently come for his removal, and so for more than one hundred and fifty years, without question or inquiry, a soldier of the Russian Imperial Guard had been posted at that spot.

There are many things in the common law, as it has been handed down to us, which have had no better reason for their origin or their long continuance. Some judge, in ill humor, or sick, or overworked, or in a haste to get off to his pleasures, or possibly prejudiced against a party, or boozy (and such have been kenned) has made a decision ; another judge followed the precedent, and then another, till it stiffened into the law of the realm and became praised as part of a system, which those who profited by exploiting its mysteries styled the "perfection of reason." To a lesser extent the same is true of our federal Constitution. Features were adopted, such as the election of senators by the State legislatures, merely because it happened to be the custom of the day to elect governors by those bodies ; or the appointment of judges by the Executive for the same reason, though both these matters have long since been changed in the several State constitutions. Other provisions were inserted because they were natural in the environment of a hundred years ago ; others because the Constitution was planned for a comparatively poor people of three millions, and without anticipation of the enormous growth since in civilization, wealth, and population, and in the power of corporations ; other features still were inserted by compromise, and some almost by accident. The Constitution has become in many respects a misfit, notwithstanding its modification by fifteen amendments. It is very certain that if the Constitution were to be made at this time, in the light of the present conditions and with the knowledge of the dangers now to be feared, it would be materially different from the instrument adopted at Philadelphia in September, 1787.

The men who made the Constitution were aware that experience and development would require changes, and they provided for their being made either by a general convention of the

States on the application of two-thirds of the legislatures, or by a two-thirds vote of both Houses, subject to approval by the legislatures of three-fourths of the States. It is well that amendments are not easily made, but the action of the several States in amending their own State constitutions has shown the necessity of amendment, due to our development and changed conditions, and the results of our experience. This applies to the federal Constitution no less than to the State constitutions, and there are many changes which have been considered in the public mind whose adoption into the federal instrument will not be much longer postponed if the opposition to the gold standard shall carry the country.

Among those which the victors will most earnestly insist upon are the following :

1. *The Election of United States Senators by the People.*—This would not change in any wise the representation and equality of the States in the Senate, but provides for the change in the mode of electing the two Senators of each state by the people thereof, instead of by its legislature. The force of corporate wealth is much more easily brought to bear upon the limited number of men composing a State legislature than upon the people at large. Hence a change to the broader constituency will be a distinct gain for the masses. It will be a guarantee that corporate power will lose a large number of seats in the Senate, which it has, heretofore, filled or controlled. This proposed amendment has already three times passed the lower House of Congress, but has hitherto found its grave in the Senate itself, too many of whose members felt that the proposed change would destroy their own chances of re-election.

2. *The Election of all United States Judges by the People.*—On the same line and for the same reason the federal judges must be made elective and for a term of years. When the federal Constitution was adopted in none of the States were the judges elected by the people, and it would therefore have been strange if they had been made so in that instrument. Now, in nearly every State the judges have been made elective by the people, and it is strange that the federal judges should not be made elective in the same mode. Indeed, for stronger reasons than have caused the States to make their judges elective, should the same change be adopted as to the federal judges. Many of them ap-

pointed by corporate influences and all holding their positions for life, and thrown in constant contact with the courtesies extended to them by the wealthier classes, the federal judges are under no obligations to the people and under every obligation to the classes. While there are honorable exceptions, it is known to all men that the federal bench is the stronghold of the money power. That power may be dislodged from the House and Senate, even from the presidency, but the care it has shown in procuring the appointment of judges, naturally biased by their experience as corporation lawyers, or by the influence exerted for their appointment, and the life tenure of their offices, secure the money power in its intrenchments in the judiciary. The power that branch of the government claims in increasing extent to nullify acts of the other two branches of government is making it essential that the masses shall obtain a guarantee of their victory by making this branch of the government dependent upon their sovereignty. The "government by injunction," and the late reversal of one hundred years' unbroken decisions to secure exemption from taxation to the millionaire element, have rudely broken public confidence in the federal judiciary and necessitate its reconstitution on modern lines by making the tenure of judicial office for a term instead of for life, and the office itself elective instead of appointive. Without this change in a body of men who claim the power to abrogate legislative acts and to restrain executive action, any popular triumph at the polls would be illusory.

District and circuit judges could be elected by the people of their respective districts and circuits as and when members of Congress are elected, for a term, say, of eight or twelve years. The Chief Justice of the Supreme Court should be elected in the same manner as the President, but the Union should be divided by law into the same number of divisions as there are associate judges of the Supreme Court, and one judge chosen by each division, but in such a manner that only a part of the seats should be filled at any one election. No objection can be made to the election of federal judges by the people, which would not apply with the same force to that mode of selecting State judges—a method which has been almost universally adopted. And seeing that the matters affecting the interests of consolidated wealth are brought almost entirely into the federal courts, there are stronger reasons why their influence in

the selection of the judges, which is now overshadowing, should be minimized by a resort to election by the people.

3. *The Election of Postmasters.*—The territory adjacent to each post-office should be divided into circumscriptions, and a postmaster chosen every four or six years by the voters thereof at the same time and in the same manner as the members of Congress. This would reduce largely the evils of the patronage system and would modify also the heat and violence of a Presidential election. The post-offices would not be dependent upon the general result, for while the country at large might go for either party the particular locality would secure its local choice. Indeed, in perhaps the majority of cases the election of postmaster would be decided by questions of fitness and personal preference of the patrons of the office, and not upon party lines. It would modify the centralization tendencies of the post-office, and would thereby remove the strongest objection to modernizing the post-office by adding the telegraph and telephone services, which are properly part of an efficient postal service, and as such have been added to it in all other countries than ours. The election of postmasters for a fixed term is preferable to the civil-service life tenure. The clerks and all other subordinates in the postal service should be appointed under civil-service rules. The postmasters would still give bond and would be subject to regulation and removal for cause as they are now.

4. *The Presidential Term.*—For reasons which are too well known to require fuller discussion, the President should be ineligible for re-election, and for this purpose his single term should be fixed at six years, so as to minimize, as far as safe to do so, the shocks incident to a presidential election. As half our Presidents have served two terms and half of them one term, six years each has been the average service in the past (counting the Vice-Presidents succeeding by casualty as simply a continuance of the presidency of their chief). Mr. Cleveland when elected the first time and Mr. Bryan recently are among those who have declared in favor of the one-term principle.

5. *The Veto Power.*—The veto power is an anachronism and has no proper place in our system, in which each of the three great departments of government should be separate and distinct. In England no monarch has dared to use the veto since the revolution of 1688, more than two centuries. It is a power-

ful lever in the hands of a party President to nullify any change in, or expression of, the will of the people, however plainly expressed by the election of members of Congress in the middle of his term. It is un-republican and its retention implies a doubt of the power of the people to change their public policy, unless in the election year of a President.

6. *The Mode of Electing the President.*—There has been one change already made by the 12th amendment in the mode of electing the President, and there have been distinct pronouncements at times in favor of electing the President by a direct vote of the people. The suppression, effacement in fact, of the minority in each State under the present system, is an evil unquestionably, but the election of the President by a direct vote of the people will scarcely be adopted for two reasons. In the first place, to do so, would be to destroy the advantage now given all the smaller States by the addition of two votes in the electoral college to each State irrespective of size, in recognition of the fact that the President is chosen by the people and the States. The smaller States would vote against a change which would reduce their importance and thus aggrandize the weight of the larger States and the required three-fourths would not ratify. Again, frauds are most easily perpetrated in States having large majorities, but now the evil is minimized, for whether Georgia or Mississippi, or Iowa, or Minnesota gives 40,000 or 100,000 majority for a candidate, makes no difference, since the candidate, in either event, merely gets the electoral vote of the State. But on a vote of the whole people of the Union, as one district, a fraud at any one of the thousands of precincts in the Union becomes a matter of interest to every other precinct. This would give ground to contest every presidential election, and for the appointment of poll holders and the investigation and canvassing of the result at each poll by federal authority. Contested presidential elections would become the rule, and civil war over the result inevitable. A modified plan has been suggested which retains the benefits of each of the above systems. It is suggested that the present system of apportioning the number of votes to each State in accordance with the numbers of members of Congress and senators be retained, but that instead of the whole vote of the State being cast according to the majority in that State (as is the custom), or even by districts, as is allowable under the Constitution, since

that would lead to gerrymandering, the vote of the State be divided *pro rata*. Suppose a State with ten electoral votes casts 150,000 votes for A, 120,000 for B, and 30,000 for C. Instead of the ten electoral votes going to A, as under our present system, he would get five votes, B would get four, and C one vote. In case of fractions, the largest fraction would take the odd vote. This system avoids the evils of a more direct vote as above stated, and while retaining the two votes allotted to each State for its statehood, avoids the suppression of minorities incident to the present system.

7. There is a formulated demand by one great party that government control of railroads be made more efficient, and by another that the government shall own all the principal lines of railways, appointments to service therein to be made under civil service rules. It is very certain that under the present system governmental control, though held constitutional by the Supreme Court, is a sham. The manufacture of millionaires, by secret rates and other methods, goes right on with the coincidence of crushing out all small competitors and the impoverishment of the masses by high rates. The Interstate Commerce Commission seems powerless, and, as to the state railroad commissions, in too many instances, the railroads, through their lobbyists, have secured the election either of their tools, or of weak men, as commissioners, and in other States, as a railroad president cynically remarked, the railroads have simply "added the railroad commission to their assets." One of the results of a victory by the people in this election will certainly be the absolute and sure governmental control of transportation, and if that is found impracticable, then governmental ownership, at least of all the trunk-lines, so as to fix rates. To this end, any constitutional amendment that may be requisite will be made. Even with governmental control, a cabinet officer, "Minister of Public Works," will be created to supervise this matter, though this can be done by an act of Congress. The governmental ownership of telegraphs and telephones will require no constitutional amendment, since the electric mail is merely a betterment, the adoption of modern facilities for the post-office, and the Constitution already vests the exclusive control of the post-office in Congress. In truth, the operation of the telegraph and telephone by private corporations is illegal, being the exercise of postal functions which under the Constitution can be exercised only by the government.

There may arise other matters of urgency upon the successful issue of the present struggle in favor of the people, but the above are those constitutional guarantees which have been most in evidence in all discussions, and are those which will most logically be demanded by those intent on securing the benefits of victory. The power to make both gold and silver the money of redemption and to issue government paper which shall be a legal tender, has already been held by the Supreme Court to be in the Constitution. The struggle to make the government exercise that power will, when won, require no further constitutional guarantee. To that end it is only necessary to change the Executive. He can direct the exercise of the governmental option to pay its coin notes and bonds in silver. The further coinage of silver and the issuance of government non-interest-bearing notes to supply casual deficits instead of interest-bearing bonds, can be done by authority of a Congress in accord with him. But the struggle means more than this, and the victory of the people will be bulwarked by the execution of the above, and possibly other, constitutional guarantees.

WALTER CLARK.